

Capital: Moscow
Population: 145 million (2001)
GDP(current US\$): \$309.9 billion (2001)
GDP per capita (current US\$): \$2,137 (2001)
GDP per capita (purchasing power parity): \$8,800 (2001)
Population below the poverty line: 30% (2000)
Religion: Russian Orthodox, Muslim, others
Language: Russian, plus 140 other languages and dialects
President: Vladimir Vladimirovich Putin
Prime Minister: Mikhail Mikhaylovich Kasyanov
Ambassador to US: Yuriy Victorovich Ushakov



National Interest: Spanning a vast area from Europe to Far East, Arctic to Central Asia, Russia is among the world's richest repositories of energy and other natural and human resources. As such, its successful transition to a democratic society and market economy is key to U.S. national and security interests. A U.S. strategic partner on issues ranging from disarmament and anti-terrorism to space cooperation and oil/gas exploration, a stable, secure Russia will affect U.S. interests in these and other issues. The country has made huge strides in destroying its nuclear arsenal, is moving towards integration into the international community, and is exerting increased influence on evolving world economic/commercial patterns, political alignments and settlement of regional conflicts. Russia is a major player in Eurasia; its political and economic transition is pivotal to the transition of its neighbors. The U.S. is the largest bilateral donor to Russia, and USAID is providing financial and technical assistance to promote economic growth, strengthen democratic institutions, and address critical health and social issues. We have an interest in ensuring Russia's effective response to human health concerns, including the HIV/AIDS pandemic and environmental mismanagement, with their implications for the U.S. and the international community.

OVERVIEW OF USAID'S FOCUS IN RUSSIA

FY03: Total FSA - \$147.6 million, USAID Total - \$91.3 million

Economic Development (FY03 \$22.3M, 24.4%): USAID provides economic assistance to small and medium enterprises (SMEs) through its development credit assistance, mortgage lending and non-bank finance programs. It is building institutional capacity with an eye to future self sustenance. USAID supports economic think tanks in fiscal, banking and trade policy, and is assisting business associations to improve international accounting standards.

Democracy and Civil Society (FY03 \$20.1M, 22%): USAID programs support the independent print and broadcast media, promote judicial reform and civic education, and strengthen human rights organizations. It supports NGOs and development of political parties reflecting diverse viewpoints. Regional and local level programs increase citizen participation in economic and political decision-making and strengthen electoral processes to institutionalize open and free elections.

Health (FY03 \$15.1M, 16.6%): The USAID health program provides support to improve the quality of primary health care, particularly health care services for women and infants and reduction in the number of children sent to orphanages. A new initiative puts extra resources into a program to reduce and control the rapid growth of HIV/AIDS and vaccine-resistant tuberculosis. Ongoing health care support has been addressed by USAID's Healthy Russia 2020 which increases use of best practices in health care through a range of partnerships, and disseminates and replicates models developed over the past decade.

Special Initiatives (FY03 \$33.8M, 37%): Regional Initiatives (RIs) improve investment climate, enhance social services and encourage democratic institutions in Russia's farflung regions. The participation criteria for regional governments are political and economic stability, openness to outside investment and partnerships, willingness to implement reforms, an active small business community, established NGO community and potential for replication. RI's are currently located in the Russian Far East, Samara and Tomsk. New programs in the Russian Far East and the Volga Federal District forward USAID goals in each sector, fostering partnerships with regional NGOs. The intent of these and several "cross-cutting" programs is to disseminate best practices and successful models to the regions. The USAID-supported TUSRIF fund (\$20M) and Eurasia Foundation (\$9.5M) provide grants to support economic development including SME and NGO initiatives.

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